



**Office of the Attorney General
Paul G. Summers**

**Department of Commerce and Insurance
Commissioner Paula Flowers**

CONSUMER ALERT

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**ATTORNEY GENERAL WARNS TENNESSEE CONSUMERS
TO BEWARE OF UNSOLICITED GOVERNMENT GRANT OFFERS**

Attorney General Paul Summers is warning consumers to beware of unsolicited government grant offers after recent reports of some companies targeting Tennesseans offering bogus government grant money.

Within the last few weeks, "Advantage America"* (not the California mortgage broker or the Wisconsin real estate broker) and "First National Grant," using approximately fifty similar aliases, have begun targeting Tennessee consumers to offer alleged "free" government grants to be used for any purpose. Consumer have been told if they pay a "bank transfer fee" or "processing fee," ranging from \$50 to \$300, they will receive anywhere from \$5,000 to \$200,000 in government grants that they do not have to pay back in return for "being a good taxpayer."

"There is no legitimate agency, government or private, offering free money in exchange for nothing more than being a good taxpayer," Attorney General Summers said. "These are bogus offers and you should hang up when someone makes such an offer."

Added Tennessee Regulatory Authority Chairman Ron Jones, "For persons who receive such calls and whose residential telephone numbers are on the Tennessee Do Not Call Registry, these calls may violate the State's statutes prohibiting certain telephone solicitation calls and consumers

should contact the Tennessee Regulatory Authority to file a formal complaint.”

To make the scam appear more legitimate, the caller sometimes gives the consumer a special password the caller says the bank will ask for to determine if the individual is eligible for the grant. No money is every forwarded to the hapless consumer.

The telemarketers often pretend to be U.S. government officials, pitching offers health discounts, grocery discounts, and long distance calling service. The companies also request consumers go through a “verification process” in which the consumer is required to state their name, identification number, and bank account number. The “verification process” is often tape-recorded after the sales pitch for the free grant offer to later be used against the consumer if he/she disputes the bill with the bank.

Beware if you receive an unsolicited phone call, e-mail, or letter from someone purporting to offer free government grants for any purpose. Grants are usually given to serve a social need, such as providing job training programs, preserving historical areas or buildings, funding services for the indigent, or researching medical issues. The government also generally does not give grants if they have not been requested.

Other grant schemes are similar. Some consumers have complained the telemarketers were operating as “grant consultants” to allegedly help you apply for federal grants. In some cases, the companies exaggerate the consumer’s eligibility to qualify for grants, do not inform the consumer that they are likely to be rejected, and do not list the conditions that the consumer must fulfill to get a refund prior to purchase.

If you have questions about if a grant is legitimate or have a complaint against a company which purports to offer government grants contact the Division of Consumer Affairs (toll-free inside Tennessee) at 1-800-342-8385 or (615) 741-4731, or the Federal Trade Commission at 1-877-FTC-HELP (TTY 1-866-653-4261). To file a Do-Not-Call complaint, contact the Tennessee Regulatory Authority at 1-800-342-8359 (TTY 1-888-276-0677).

* Note that Advantage America is NOT affiliated with the mortgage broker based in California or the Milwaukee real estate broker of the same name.